

# MEASURING ADMINISTRATIVE AUTONOMY: HUNGARY EXPERIENCE

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## Rezumat

Scopul acestei lucrări este acela de a găsi o serie de aspecte analitice a noțiunii de administrație din punctul de vedere al teoriei politice și științelor administrative.

Vom studia pentru început propoziția:

p: X este autonom

Sub ce aspecte această propoziție are sens?

Ar putea avea sens această discuție în condițiile în care am putea să realizăm următoarea afirmație:

Definiție: X este autonom dacă și numai dacă A.

Poate fi X autonom în mod izolat? Sau altfel spus poate fi X autonom fără a fi în relație cu un alt actor? Sau această propoziție are sens numai dacă vom lua în considerare câteva aspecte particulare ale unei variabile C?

C: X este autonom dacă și numai dacă A în contextul C.

Contextul se refera aici la aspecte externe care pot fi separate de X dar care într-un mod oarecare sunt relevante pentru înțelegerea naturii structurii lui X

Contextul poate să fie descris în foarte multe modalități. Poate spre exemplu să se refere la un anumit set de alți agenți care au anumite caracteristici în raport cu un altul.

Fără îndoială că această instituție poate să pretindă că este autonomă în sens restrâns dar este complet independentă de alți factori externi.

Pentru toate persoanele administrative, chiar și cele care bucură de o oarecare libertate se poate pune în discuție dependența lor de alte aspecte ale vieții sociale, politice, economice, juridice, etc. cu alte cuvinte dependența de un terț element asupra căruia nu-și poate exercita influența. O entitate autonomă are anumite condiții de mediu care trebuie îndeplinite înainte de a fi clasificată chiar ca și entitate. Și nu toate entitățile sunt autonome sau libere în orice sens al acestor noțiuni.

**Cuvinte cheie:** Autonomie, descentralizare, autonomie instituțională

## Abstract

The aim of this work is to find a number of analytical aspects of the concept of administration in terms of political theory and administrative science.

We will first study the sentence:

P: X is severable

Under what aspects this sentence makes sense?

This could make sense if we can make the following claim:

Definition: X is severable if and only if A.

Can X be severable in isolation? Or in other words can X be severable without being in relationship with another actor? Or this sentence makes sense only if we consider some particular aspects of a variable C?

C: X is independent if and only if A in context C.

The context here refers to external aspects that can be separated from X, but which can be relevant in order to understand the nature of the structure of X.

The context can be described in many ways. For example it can refer to a particular set of other agents who have certain characteristics in relation to another one.

There is no doubt that this institution can claim that it is autonomous in a narrow sense but is completely independent from other external factors.

For all administrative persons, even those who enjoy a certain freedom, their dependence to other aspects of social, political, economic, legal life, etc... may be called into question, in other words, dependence on a third item on which he cannot exert influence. An autonomous entity has certain environmental conditions which have to be fulfilled before being classified as an entity. And not all entities are autonomous and free in any sense of these notions

**Keywords:** Autonomy, decentralization, institutional autonomy

**JEL Classification:** H77, H83

## 1. INTRODUCTION

The issue of autonomy of public organizations grows in importance both in practice and contemporary public management. Especially when taking into account the organization of administrative entities an existing phenomenon can be observed in the OECD countries as well as in countries in a developing process: the need for institutional autonomy.

In the comparative analysis made by Pollitt and Bouckaert on public management the growing trend of specialization of functions can be noticed and also a decentralization of authority from the center to the periphery related to the decrease of the size of the public sector by reducing the large bureaucratic organizations (Pollitt and Bouckaert, 2000).

This trend of specialization, decentralization and fragmentation began in Anglo-Saxon world in the 80s (New Zealand, United Kingdom). But this trend was later developed in countries such as Canada and the Netherlands and can be easily observed in Belgium.

Some authors have called this phenomenon "agentification" of the public sector and they have identified it as being a part of the doctrine of New Public Management (NPA) procedure developed in recent years. Schick (2002) has labeled this trend as "the vehicle of New Public Management" while Talbot (2004) claimed that "the form of autonomous organization of public activities has become a subject of reform programs in many countries in recent years [and that] these initiatives may be grouped in various forms: from reforming existing entities (U.S., Sweden, Finland) until the creation of new ones, with limited autonomy (UK, Netherlands), in order to reach extreme high autonomy." Talbot added that in some cases we can observe the creation of new tasks (UK, Netherlands) while in other cases contracting the performance is added to existing tasks (U.S.). In any of these cases it is always sought to improve the quality of provided public services as well as the performance of public sector. The so-called ideal type of entity subject to the New Public Management - structurally disaggregated from government, with the sole purpose rather the implementation of politics than the involvement in the

decision-making with managerial and controlled freedom only through the organization prism - has been regarded as promising.

## 2. METHODOLOGICAL POINT OF VIEWS

For all administrative persons, even those who enjoy a certain freedom, their dependence to other aspects of social, political, economic, legal life, etc... may be called into question, in other words, dependence on a third item on which he can not exert influence. An autonomous entity has certain environmental conditions which have to be fulfilled before being classified as an entity. And not all entities are autonomous and free in any sense of these notions.

We can illustrate this view by considering a one-dimensional continuum where an autonomous agent is located between social isolation and dependence due to a certain criterion. So, autonomy is a problem of the degree to which it can be observed and not a dichotomy (Suksi, 1998).

Any satisfactory theory of autonomy must convincingly answer to questions such as:

1. What is autonomy?
2. What are the necessary and sufficient criteria which have to be met before a "moral person of public law" can claim to be autonomous?
3. Under what circumstances can we argued that an entity is autonomous?
4. What points of interest - where they are - must be pursued in order to pretend that a specific entity or a particular act is autonomous?
5. Must the administrative autonomy of an agent X be in a certain condition accepted or confirmed by other entities?
6. Can these entities give consent before the classification of the agent as being autonomous? What relevant criteria should be applied here? How important is self-comparison with other values? Can an entity claim to be autonomous? Does an agent have to know that he is autonomous in order to be one? Can an entity be autonomous be autonomous by pure chance, or is likely to be independent only if the administrative agent in question has the possibility to decide to be autonomous?
7. Is autonomy a good thing? And if it is, under what aspect?
8. Can autonomy be respected? If so, on what aspects it is dependent?

9. Is autonomy, in some way or another, something achievable, realistic?
10. If the X and Y agents are both autonomous as we will know in a particular situation, which of the two agents is more autonomous?
11. Can a representative be autonomous from the one that he represents and yet to be politically responsible?

We haven't found any kind of theory of autonomy that can respond to these questions in a satisfactory manner. Here is why it appears as being urgent the achievement of a scientific study in order to find the scientific instruments that might prove the answer to these questions.

### 3. COMPARATIVE ASPECTS

The notion of "autonomous administrative authorities" or autonomous is used to set up administrative bodies put up at centre, local or central level in the territory, which are characterized by their independence from other entities and administrative hierarchies (Petrescu, 2000).

The principle of decentralization led to the maximum, is being confused with autonomy, either because the administrative authorities in their desire to defend and achieve their special and local interest, not to touch or pass within the sphere of general interest (Văraru, 1925), the State names in charge one of its representatives, on the one hand to supervise the activities of decentralized authorities, in order to be profitable to the units, and on the other side to overcome, in principle, any change that would be made to General laws and regulations (Văraru, 1925).

It can be seen in recent years an increasing number of central administrative authorities in several European countries (Boev, 2003).

Well, the doctrine of specialty has interpreted this phenomenon as evidence of a desire to modernize the traditional administration (Rivero and Waline, 1994), or a failure or maladjustment of the traditional administrative structures, but in equal measure that of the jurisdiction for the newest matters of administration (Laubadère, Venezia and Gaudement, 1999).

Chauvin (1998) said that the administrative authorities are probably the most original creation of these years being probably related, as being said before, to the New Public Management trend.

Administrative organization of a large state, like France, is complex. France is one of the states that upgrade its administrative structures, not limited to the reorganization of central and local. In this respect the constitutional reform 28.03.2003 guides to a variety of statutory of the local authority and to their

power. The reform introduces four fundamental texts concerning the local referendum, financial autonomy, freedoms and responsibilities of local governments.

Hans Kelsen, who has long been the heart of French and European constitutional engineering and old member of the Constitution council, says that the administration represents all the activities under the control of government and maintains public interest and needs (Pascal, 2005).

The history of the centralization of the administration is being confused with that of state building under the old regime in which the Sun King (Louis the XIVth) had perfected a system of power and personal enrichment, saying "The State is Me" (*L'etat c'est moi*), i.e. power is in the hands of a single person. Over the century the exercise of power, progresses and reforms, finally reached decentralization (Sharpe, 1993).

In France, the notion of independent administrative authority first appears in the Act of 6 January 1978 relating to information, files and freedoms, although since 1941 the Commission of Central Bank (van Lang, 1999) was created – an authority which can be included among those autonomous authorities.

Subsequently, the doctrine began to be included in the category of central administrative authorities, different institutions, but which had similar features.

There are authors who understand the autonomous administrative authority as being only institutions that have a real decision-making power, while others have deemed that they have the quality of autonomous administrative authorities, those institutions which exercise their power through other sources than issuing decisions, by means of opinions, recommendations, suggestions, proposals, etc... (van Lang, 1999).

It appears that the latter effect was adopted by the French legislature for a number of autonomous administrative authorities, namely the National Committee for the Evaluation of Universities (Law of 10 July 1989), the National Control of interception referring to the Security (Law of 10 July 1991) and the Advisory Committee of National Defense secrecy (Law of 8 July 1998).

We can therefore analyze from this perspective characteristic traits of autonomous administrative authorities. Thus, in the French doctrine were highlighted among the main features of these authorities:

1. They are public institutes, to which the legislature gives them guarantees of independence in order to achieve the best possible the purpose for which they were established.
2. Some autonomous administrative authorities have uni-personal character, but most of them have a collegial nature.

3. They are administrative authorities and not judicial, although the legislature has entrusted some of them a certain power of penalty.
4. They are not only simple committee of experts convened to adjust certain problems.
5. The powers of administrative authorities are not limited in general, the granting of consultations and opinions, on the contrary, in most cases have the power of decision making.
6. The administrative authorities are not subject to any hierarchical control, or any tutelage in exercising them. Therefore, it is notable the legislature will and effort to provide the means by which he ensures its independence. Thus, are presented the conditions under which the members of this authority are elected, the term of office, the illegibility and incompatibility cases, etc. (Petrescu, 2000, Iovanas et al 1979).
7. The same authors notes that the guarantees of independence and the absence of hierarchical relationships does not mean isolation of autonomous administrative authorities, depending on the Prime Minister or a minister, as acting for the State and they do not have their own financial means (van Lang, 1999). In this case, at least for the presented institutions we can not talk about a part of the financial autonomy, a part of administrative autonomy.

In this context of ideas concerning the independence of these authorities it is noted that they must fulfill their respective objectives with impartiality and objectivity (Chapus, 1999).

The acts issued by the administrative authorities may be subject to appeal at the administrative judge or at the common law judge in the latter case only if the legislature decided in the interest of a good administration of justice.

Therefore, the rule is the legality of acts of administrative authorities through disputed claims office, because it attacks the legal authority of the state (Laubadère, Venezia and Gaudement, 1999).

However the French legislature, on the basis of timeliness and consistency, has upheld the power of the judicial judge for annulment of individual acts with the sanction given by some administrative authorities in the economic and financial domain.

The quality of autonomous administrative authority is expressly provided in some legal acts governing the organization and their operation.

National Commission of Informatics and Freedoms (created through the Law of 6 January 1978 and Decree of 17 July 1978) aims at the supervision of the order relating to the establishment and use of files respecting the rights and freedoms of the administrations.

Explicitly, the law qualifies the Commission as an autonomous administrative authority and states that its members "do not receive instructions from any other authority" (Laubadère, Venezia and Gaudement, 1999).

The Higher Audiovisual Council was organized by the Law of 17 January 1989 in place of the National Commission for Communication and Liberties. The Higher Audiovisual Council is qualified as being an "independent authority" having the aim of adjusting the public and private radio-television sector.

The Stock Exchange Committee is responsible keep in watch the correct execution of the stock exchange, granted by the Law of 2 August 1989 and 2 July 1996.

Ombudsman established by 1973 Law is qualified as being an independent authority by the 13 January 1989 Law. The Ombudsman exerts upon the administration, including local services, decentralized public institutes and authorized organizations to perform public service, an original control, which is different from the jurisdictional and traditional administrative controls (Rivero and Waline, 1994).

Through this institution, it is given a protector more accessible than the judge to the one that it is administrated, which may be informed on the deficiencies of state administration.

Even if through the legal regulations, such other public institutes are not explicitly qualified as autonomous administrative authorities, they will be placed in this category if they correspond to the specific characteristics. So, are considered autonomous administrative authorities the following: The Poll Commission to whom is given the task of ensuring the quality and objectivity of the opinion polls held in connection with the election consultation and the referendum; The Competition Council having the task of ensuring the observance of companies regarding the respecting of legislation on freedom of prices and competition; The Commission Control Security, which, among other duties may apply disciplinary sanctions, in order to make the insurers respect their legal obligations etc. (Chapus, 1999).

Autonomous administrative authorities are held in other European countries.

Thus, in Luxembourg the Economic and Social Council is being organized.

In Ireland series of public institutions operate which can be considered as having a high degree of autonomy, for example, Independent Radio and Television Commission (Independent Radio and Television Commission, established in 1988), the Central Bank of Ireland, Combat Poverty Agency.

In Spain, the defender of the People is set in the Constitution and regulated by an organic law. People's defender is a high representative of "Cortes Generales" appointed by them to safeguard the fundamental rights and to this end he could control the activities of the Administration, compiling reports



which have to be presented to the "Cortes Generales" (The Parliament).

Also, the Court of Auditors is provided in the Constitution, the organic law governing the composition, organization and operation.

In Italy, under the Constitution, the law ensures the independence of the State's council, advisory organization on legal and administrative matters, of the Court of Auditors, and of their members in front of the government.

In the United Kingdom, according to the doctrine, after the year 1970 the term Quang was imposed (Quasi-autonomous non-governmental organization) (Carsten, Flinders and Van Thiel, 1999; Wettenhall, 1981) designating three types of bodies which have a certain role in the administration process of the UK but they are not ministerial departments or structures thereof (Ziller, 1993).

In a 1980 report, the term of "*Non Departmental Public Bodies*" was adopted, used by the board under the logo of N.D.P.B. (Ziller, 1993).

Although vast and complex network of these Quang was criticized, after the year 1980 there have been established some autonomous organizations, a kind of executive agencies, inside ministerial departments.

It is believed that these categories of British NDPB or Quang does not refer to the essential notion in the public right on the continent, that of a moral person, but it is notable, however, that are autonomous from ministerial services in taking decisions and that it is their very reason to exist.

#### 4. EMPIRICAL RESEARCH: MEASURING ADMINISTRATIVE AUTONOMY

The research conducted so far in the doctrine of specialty regarding the administrative autonomy varies from the descriptive aspects – demonstrating the levels of autonomy of different administrative persons (Smullen, van Thiel and Pollitt, 2001; Verhoest, 2002; Christensen, 1991, 2001; Laking, 2001; Yesilkagit, 2002; Verhoest et al 2004) until profound analysis of various institutions of European countries.

Firstly, the one supporting this doctrine were bent on the causes to see different variations of the autonomy existing between agencies and variations in different forms of individual agencies. So, there have been made different explications, from the interpretative explanations (Pollitt and Talbot, 2004) or historical explanations and reaching up to explanations based on specific characteristics of the agencies.



Another type of exploratory research was conducted and channel on the effects of the autonomy regarding the performances of an agency studying the organizational structure as a condition of performance (van Thiel, 2000; Christensen and Laegreid, 2001; Gains, 2001; Pollitt, Birchall and Putnam, 1998).

Although there is a growing abundance of European academic research in this area there is some sparkle in the current research in the theory, conceptual and methodological. These challenges are real and important as they demonstrate a quality of performance in research and even more a scientific quality in normative debates of practitioners.

The tendency to migrate from a centralized administration to the creation of autonomous bodies has long been studied especially in the Nordic countries (Norway, Sweden, Holland, Denmark) (Christensen and Laegreid, 2007). The creation of specialized institutions can lead to a clear demarcation of responsibilities and roles, to greater efficiency but may also lead to increased complexity of coordination problems, reducing the potential for political control and accountability (Christensen and Laegreid, 2001, 2006). Thus one of the key questions of the research concerns the need for a balance between institutional autonomy and the need for political control.

Today public administration of the economically advanced countries provides a fragmented complex vision: the public sector is overwhelmed by a multitude of organizations with different forms, created by different legal instruments and with different financial and budgetary regimes. The issue of political control became increasingly comprehensive compared to some decades ago.

We are interested in answers to the following three sets of questions: What is the relationship between autonomy and the formal factor of the institutional system components? Which of the two forms of autonomy is much more numerous?

A second set of questions are related to the modality through the participant actors in this social report may influence institutional autonomy: (2) what type of influence exists at the level of public sector and how large is this influence?

A third set of questions concerns the relationship between the degree of influence perceived by them and the level of autonomy reported by the entities: (3) Are organizations with a bigger formal autonomy influenced less by policy makers?

## 5. STUDY ON INSTITUTIONAL AUTONOMY IN HUNGARY

Hungary is one of the countries in the penultimate round of adhesion to the EU presenting a range of

administrative elements developed due to a common history comparable to those in Romania. Reflecting on the requirements imposed by the EU for accession and the OECD's recommendations for the development of administrative capacity in the public sector, the study will show the new challenges arising from institutional decentralization developing the principles of "good governance", "efficiency and effectiveness", "coherence policy".

We can examine in the case of Hungary the way in which the European and international relations in general represent the "engine" for internal administrative reform. Therefore, the comparative study could share new information and experiences regarding the identification of measures that have to be taken in order to increase institutional decentralization degree and enhance the administrative autonomy, in the context of institutional development policies.

The study will answer the question whether the structure of political transition from a centralized system to an economic market system has led to support or it slowed the process of institutional decentralization. Regarding the economic autonomy it may be very important to highlight the opportunities and threats in this regard (Reflecting on the new regional policy objectives) (Szegvári, 2003).

### ***5.1 Components and procedures for decentralization***

#### ***Typical trajectory of reform***

Public administration cannot be analyzed without taking into account the radical social, economical, political and legal transformations, in a given particular historical context.

Decentralization is an essential part of the transformation of political systems. In the last period of transition the moving of the former "Soviet system" to a "system of self-government" in general interest, was a basic element in the democratization process and implementation of political pluralism in Hungary. Most of the elements necessary to change have been realized later than 1980 (Horváth, 2000).

Regarding the systematic transformation and the three functions of local governments, the reform process of Hungarian decentralization continued until 1990 and took place in two main stages. In the first stage, the reform has focused primarily on the democratic and autonomous functions of the public administration. In the second stage of the process of decentralization, the main objective was to ensure the capacity of public administration, in the case where the "stabilization of public administration" is the basic amount.

In the first stage of "transitional period" regulatory and institutional reforms were the basic elements of change. Between 1989 and 1995, Hungary tried to implement most elements of the legal and institutional framework for a market economy and democratic governance. This transition period was also a stage of regulation and deregulation, but also a stage of technical transformation of the public administration. Since 1989, successive governments have eliminated normative acts that have changed the former centrally planned economy in accordance with the principle of decentralization. Meanwhile, The Parliament passed the primary legislation to create a constitutional and legal base in order to lead to an increase in democracy. Together, structural and governance reforms and stability of macro-economic have generated significant economic and social benefits.

The new legislation has been transformed through:

1. Constitutional amendments (changes to the previous key);
2. laws that regulate the self-governance (including the level of municipality and county) focusing on the new structure and operating rules;
3. laws regarding the local free elections, different from the definition of electoral system and process at multiple levels of local governments;
4. the laws that regulate the civil servants and contract employees in the public system;
5. organizational laws and functioning of various institutions of public administration at every level;
6. governing the property laws;

A new system of democracy has been established based on two pillars: the traditional Hungarian principles and European sector of the local self-governance of the Council of Europe (European Charter of local autonomy of the Council of Europe).

Since 1990, the Hungarian government is placed between two institutional models: bureaucratic and democratic. The first includes central government bodies and bodies of and regional level (de-concentrated institutions) (Stewart and Greenwood, 1995). The second type of structure is the system of administrative autonomy (institutional decentralization), based on the principles of subsidiary and autonomy. *Public administration functions are shared by these two systems, creating competition for fulfilling the functions at the territorial level. This is the essence of conflict of interests between the autonomous local and regional structures of state administration bodies (Temesi, 2000).*

The system of local autonomy in Hungary exists at two levels: local and regional level. There is no

hierarchical relationship between the two types of local autonomy, according to the Constitution, the fundamental rights of all local entities being equal. The difference between the two lies in the administrative tasks delegated to each. Municipalities have broad responsibilities in the provision of services.

By the end of 1996, the process of institutional reform guaranteed the political, legal and economical autonomy in Hungary. The equilibrium principle has played an important role in preserving the democratic policy and democratic institutional changes made by public institutions in the first stage of "transitional period".

Therefore, since 1996, Hungary has passed at the next stage of public administration reform having to face with an overly rapid decentralization, without a solid institutional base.

After ten years of determined reform, Hungary has joined the OECD as a special appreciation of the effort made in achieving the desiderata of economic growth and enhances the quality of governance (OECD, 2000).

One of the first difficulties of the first stage of administrative reform based on the lack of experience was that there was no time in order to prepare the frame for the reform.

No sufficient attention has been given to the efficiency and simplification and this led to delayed results. The controlling function has been virtually non-existent and had as consequences the rejection of the implementation of new regulations.

In the second phase of public administrative reform new trends have been felt, avoiding institutional decentralization and the maintenance of an autonomous system.

### ***Lessons and recommendations***

Public administration reform begins in post-Communist Hungary since 1990, Hungarians officials understanding the importance and the need for rapid implementation of a system administration based on institutional autonomy in order to meet the principles set by the European institutions in the European Charter of Local Governance (Ghiolțan, 2005).

The process of Hungarian public administration reform was conducted in two major phases, characterized by strong connection of continuity. The first stage was marked by the adoption, in 1990, of a number Normative Act LXV / 1990 on Local Public Administration, legislation, which along with the new Constitution recognized the right of self-governing of the local communities, in particular the provision of public services. The next big step in the process of reforming and modernizing of the

Hungarian administrative system occurred through the adoption of Act No Normative. LXII / 1994 on Local Public Administration, legislation that led further the instituted reforms in 1990, correcting some errors of the previous of law and providing the legal force of new international principles, certain decisions of the Constitutional Court and other courts, some provisions of the specialty doctrine and not least of practical experiences encountered in the four years it has been in force the previous regulatory.

Currently, the Hungarian public administration is carried out locally by two frames or structures of power that exercises both the specific tasks for each of them, but there are many cases of duplication of tasks. The first power management framework includes the territorial de-concentrate institutes of public administration, namely agencies or services directly subordinated to the government at central level. The second power structure to which we refer is made up of local authorities that govern on the principles of decentralization and local autonomy. The two frameworks mentioned above have a range of common material skills, which generates both conflict and overlap of functions, but mainly a competition between decentralized and de-concentrated institutes for the achievements of public services, competition which has proved to be particularly beneficial for the recipient government services at the local level, without an existing subordination report between local and central public authorities.

At the local level, governance is exercised through an elected council and a mayor, which is also directly elected. The two bodies mentioned above have a representative character they can delegate some tasks to other elected or appointed bodies such as local decision-making committees, municipal councils, so-called neighborhood or city manager.

A particularly interesting element of Hungarian local government is the existence of the institution's city manager, which may be typically a public official of high rank and who is engaged exclusively in the technical and professional administrative act, while the mayor has the factor of political representation.

City manager is a named uninominal body and nit a chosen one, whose main role is to implement, in their everyday activity, strategies and general and directions established through the decisions of the mayor and local council proceeding from the authority to delegate tasks, coming from a chosen body, in this case the local mayor. The city manager has the obligation, established by law, to participate at the meetings of the local council, having the right, through the mayor to submit initiatives or projects that may be adopted by the council.

The main advantage of the "city" manager institution, called on a indefinite period, respecting some concrete laws in terms of professional skills, is that the effective achievement of the normative act has

to be done by a person in that domain, capable to effectively implement the local governance strategy of the mayor and local council.

At the same time, city manager provides continuity of the act of the local public administration, because the mandate of such a public servant has a longer period than that of an elected mayor for 4 years.

Another item that is noteworthy in the analysis of the Hungarian public administration, is the so-called "local governance at the districts level", existing the possibility of the formation of neighborhood councils composed of members of the local council and voters, having as president one of the local municipality concerned.

Local council of administrative and territorial unit, which includes the mentioned neighborhood, may delegate the neighborhood council adoption of decisions on specific areas of interest of the named quarter, providing the necessary financial resources for the implementation of delegated projects.

The existence of this decision-making forum, at the neighborhood level, indicates the high level of the citizens the opportunity to participate effectively and directly in the political and administrative decisions, amongst other ways, most commonly used for the implementation of direct democracy at local level and the local referendum, public initiative made by the local council or various meetings, with formal character, organized between citizens and their elected representatives.

Regarding the provision of public services of local interest, the local Hungarian authorities enjoy a large autonomy with regard to the formal organization of departments, to effectively projects of local interest and the financing of all aspects above mentioned.

As a rule, public services are provided either directly through subordinate institutions of the local government, are either offered, towards achieving through contractual relationships of a legal person with a private capital, also existing the solution of public-private partnership.

## 6. CONCLUSIONS

Even if we do not talk about federative forms of organization, administrative autonomy is necessarily related to the principle of subsidiary under which the state should intervene only in exceptional situations. Local communities can solve the citizen's problems more efficiently reaching their coverage area and therefore the solutions can be adapted more easily to the real needs of each person, having precedence as individuals and not as simple matters of law. It is therefore necessary for the state to intervene only when these basic structures "can not auto-regulate the functional equilibrium" (Barbu, 1996).



Mircea Văraru (1925) appreciates that everything can decentralize, outside the jurisdiction of the executive, i.e. the right to command.

The extent to which administrative individuals gain more legal and technical competence, the state is equally careful to centralize and to maintain intact the right to command, giving the exercise of this right only in certain well-ranked officials and allowing the use of public force only in cases and conditions which should ensure the whole time the monopoly of power in the hands of the state. Thus the public force, instead of dividing and decentralizing, is more and more centralized in the hands of the government.

Administrative decentralization takes place exclusively for the administrative units, for the endorsement of local and special interests in the most satisfactory conditions for the concerned population.

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